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ABSTRACT

This handbook illustrates and discusses organizational options for the delivery of employment and training services within service delivery areas (SDAs) mandated by the Job Training Partnership Act (JTPA) of 1982. Addressed primarily to members of private industry councils (PICs), representatives of local governments, and employment and training professionals, the publication includes general information about options for the employment and training administrative option as well as five specific models. Also included is a section describing the basic activities and programs that are allowed under JTPA. The nine sections of the guide cover the following topics: the PIC and the SDA, the agreement between the PIC and the local government, five delivery system models, the job training plan, performance standards, program operations and services, oversight, liability and a short recapitulation of the preceding topics. Appendixes to the document include a list of sample PIC funding priorities for training programs and a list of the National Alliance of Business regional service offices. (KC)

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The Whole PIC Catalog: Organization, Planning and Service Delivery Options Under JTPA

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National Alliance of Business
Washington, D.C.
April, 1983

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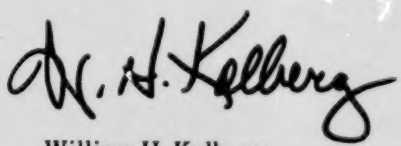
On October 13, President Reagan signed into law the Job Training Partnership Act of 1982, a measure which had previously passed both houses of Congress by large, bi-partisan majorities. This Act will shape the nation's response throughout the 1980's to the pressing problems of high structural unemployment among youths and adults, and "displaced workers" with technologically obsolete skills.

The Job Training Partnership Act replaces the decade-old Comprehensive Employment and Training Act program and differs from its predecessor in several critical aspects. Among the most important of these is the enhanced role envisioned for the private sector acting through local private industry councils (PICs). Under the new law, PICs will become full partners with local government in exercising control over the planning and operation of employment and training programs that will lead to better jobs for the nation's disadvantaged, unemployed citizens.

In July, 1982, the National Alliance of Business published a handbook called Options on Roles, Organization and Programs of the Private Industry Council. In November, 1982, the National Alliance of Business published a handbook on Private Industry Council Roles and Options: Making the Job Training Partnership Work that addressed the expanded roles, responsibilities and opportunities that local private industry councils will enjoy under the Act.

Now, The Whole PIC Catalog: Organization, Planning and Service Delivery Options Under JTPA supplements earlier works with a revised and expanded discussion of organizational, programmatic and service delivery options.

All these works further NAB's continuing mission to assist private industry councils and, through them, to encourage greater involvement by the private business community in the nation's public (now public/private) job training system.



William H. Kolberg
President

In October 1982, the Job Training Partnership Act (JTPA) was passed by the U.S. Congress and signed into law. The Act calls for the establishment of a partnership between the public and private sectors for the purpose of locally planning and providing employment and training services for the economically disadvantaged.

JTPA creates a major role for the private sector in this partnership by mandating the creation of a Private Industry Council (PIC) for each local Service Delivery Area (SDA). The majority of the membership on each PIC shall be representatives of the private sector, with the balance of the members selected from representatives of educational agencies, community-based organizations, labor unions, rehabilitation agencies, economic development agencies, and the public employment services.

A detailed analysis of the provisions of the new Act and a discussion of the options for PIC formation and organization are available in two previous NAB publications:

- "Explanation and Analysis of the Job Training Partnership Act of 1982" (Nov. 1982). $5.00
- "Private Industry Council Roles and Options: Making the Job Training Partnership Work" (Dec. 1982). $8.00

These publications are available through the NAB Clearinghouse, 1015 15th Street, N.W., Washington, D.C. 20005.

This handbook is addressed primarily to members of Private Industry Councils and representatives of local governments. Employment and training professionals may find that the sections regarding organizational options are helpful.

The purpose of this handbook is to illustrate and discuss organizational options for the delivery of employment and training services within each SDA. Within every SDA the PIC and local elected officials will need to decide who will receive and administer grant funds and who will operate the programs. This publication includes general information about options for these functions as well as five specific models.

Also included is a section describing the basic activities and programs which are allowed under JTPA. PIC members who have not had prior exposure to training and employment programs may find this information helpful as they set about determining how these activities and programs are best administered.

SECTION I: THE PIC AND THE SDA

The SDA

A service delivery area (SDA) is simply that area designated by the governor of a state to be the area in which employment and training services are provided under JTPA. An SDA can be:

- a state or sub-state district designated by the governor;
- any unit of local government with a population of 200,000 or more;
- any consortium of contiguous units of local government with an aggregate population of 200,000 or more which serves a substantial part of a labor market area.

The procedure for designating SDAs shall be established by the governor but must include provisions for review by the governor's State Job Training Coordinating Council (SJTCC).

When no government units either qualify or apply for SDA designation, the governor may designate the entire state or substate districts that contain one or more units of local government as an SDA, as long as these substate districts do not split a local government unit.

Further information on SDA designation is available in NAB's publications, Business Currents Technical Report on SDA Designation, and Forming a Consortium: Issues to Consider.

Appointing a PIC

Each SDA must appoint a Private Industry Council (PIC) in order to receive JTPA funds. The chief elected official or officials of the SDA shall determine the initial number of members on the council and shall appoint those members in the following manner:

- Private sector representatives shall be selected from among individuals nominated by general purpose business organizations. These organizations shall nominate at least 150% of the number of individuals to be appointed.
- Education representatives shall be selected from among nominations submitted by public, private and proprietary schools in the SDA.
- The remaining members of the council shall be selected from individuals recommended by interested organizations, with labor representatives being recommended by state or local labor organizations or trade councils.

All members shall be appointed for fixed terms whose tenures are staggered. The chair of the council shall be selected from among the private sector representatives.

A properly constituted PIC shall be certified by the governor and shall convene within 30 days of certification.

SECTION II: AGREEMENT BETWEEN THE PIC AND LOCAL GOVERNMENT

Purpose and Scope

The Job Training Partnership Act requires that the PIC enter into a formal written agreement with the local government(s) as to the implementation of the Act on the local level. This agreement should stipulate:

- the grant recipient;
- the administrative entity -- the body that decides how the funds are spent;
- the process by which decisions are made;
- the method of development of the job training plan;
- the method of service delivery;
- the service deliverers.

All these issues are open to negotiation between the PIC and the local chief elected official(s). The "PIC Agreement" establishes the roles the PIC and local government(s) will play in implementing JTPA. Unlike CETA, the JTPA PIC is active in defining its own role; it could negotiate to run the entire program or it could decide to simply act as an advisory and oversight body. Whatever the choice, the PIC Agreement provides the private sector with the opportunity to come to the table as an equal partner with government in shaping the face of local employment and training programs.

Should the PIC and the chief elected official(s) be unable to reach an agreement, the Governor could step in and "redesignate" the SDA. This means merging the SDA with one or more other SDAs, even if the SDA meets the requirements for automatic SDA designation. (See Section 105(c) of the Act for details.) Therefore, if the PIC and chief elected official(s) desire to retain their independent SDA designation, they have ample motivation for reaching an agreement.

Designation of the Grant Recipient

The grant recipient is the entity that receives the funds from the governor, and disburses money according to the SDA's approved plan and the spending decisions of the administrative entity. The grant recipient maintains the "power of the purse," but must account for funds and may incur some liability for misspent funds. (See Section VIII on Liability.)

Beyond political factors, there are two main considerations in selecting the grant recipient:

- the ability to meet accepted accounting procedures for public funds in order to guard assets and account for disbursements;
- the ability to perform this accounting in an efficient, straightforward manner while maintaining the integrity of the funds.

The PIC and chief elected official can select almost any entity as the grant recipient, but cost may be an important determining factor. The chart on page 7 presents some of the major advantages and disadvantages of four basic types of recipients: the PIC, local government, non-profit agencies (including community based organizations) and private for-profit entities

Designation of an Administrative Entity

The administrative entity which fulfills a role similar to a Board of Directors, sets operation and program policy, determines goals and ensures that these are being pursued effectively. The administrative entity also assures that the organization has good management and the necessary resources to implement its goals. The administrative entity evaluates the program progress and is responsible for the financial and legal processes of the SDA

The Job Training Partnership Act seems to have been designed to give the PIC a more substantial role in administration than was the case under CETA. In the PIC Agreement the PIC and local government(s) must address just how far the PIC's administrative role will go. Surely the PIC does not want to have to approve every purchase order for paper clips. But perhaps it (or one of its subcommittees) would want to review and approve proposed purchases over a predetermined amount, such as $10,000. The PIC and local government(s) must negotiate their respective roles, keeping in mind that while there are infinite ways to design such administration, an overly complex structure will be difficult to oversee and will severely tax the cost limitations placed on administration.

At a minimum, JTPA requires that the PIC maintain two functions:

- The PIC must approve the plan which describes who will be served, the general nature of those services, and the allocation of resources.
- The PIC must oversee the policy and activities carried on in the SDA under JTPA.

Beyond these items, the PIC can negotiate an appropriate level of involvement for itself and its staff, keeping in mind the amount of time and effort its members can realistically contribute.

The following section describes many administrative functions, and briefly discusses the implications of the PIC maintaining or delegating those functions. This list can be used as a beginning point for a PIC to develop its own "job description."

Grant Recipient	Advantages	Disadvantages
PIC (Note: The PIC would probably have to incorporate to be a grant recipient, depending on state law.)	Under JTPA, the PIC can be a "new broom." Further, running the SDA's activities would be the PIC's main purpose. The PIC also can be very flexible in its administration, reacting quickly when necessary, unencumbered by large bureaucratic structures, and the PIC may favorably enhance the program's reputation with the business community.	The PIC would have to develop its own fiscal and accountability procedures. The PIC may also be concerned about liability, and should consider Section VIII of this booklet on liability before making a decision.
Local Government (Note: In a consortium, this discussion assumes that one governmental unit would act as agent for the others under a Joint Powers Agreement.)	Government, accustomed to administering public funds, particularly federal grants, is prepared to absorb grant recipient duties. Usually government has elaborate fiscal controls and internal mechanisms in place to adequately safeguard the public interest.	Using government as the grant recipient has two major disadvantages. First, governmental processes tend to be laborious, with significant delays in reporting and feedback. Second, other legislative bodies such as a City or County Council may become involved. The groups may have other agendas which affect their employment and training decisions.
Private Non-Profit Organizations (The Urban League, a community action agency, a school district, a community college are included in this category.)	If this organization were also to administer the grant and to operate a major portion of the service delivery system, then program administration could be streamlined.	As with local governments, private non-profits are accountable to a board or council which is in existence for reasons other than operating JTPA programs. These other agendas necessarily take precedence over the goals of the JTPA grant. The JTPA funds become accountable to the board of that agency, rather than to the PIC in partnership with local government. Private non-profits occasionally suffer from inadequate fiscal controls, and may be unable or unwilling to accept consequent liability.
For-Profit Organizations (This could logically be a consulting firm, a personnel agency, a private training company, a bank or an accounting firm.)	Theoretically, the private sector is able to expedite the flow of funds in a cost efficient manner with less red tape. This capability will vary significantly from firm to firm.	The disadvantages are largely the same as those discussed for private non-profits. The SDA could also precipitate a public outcry were they to use a private firm as the grant recipient.

Outline of Possible Administrative Functions

Planning

- Gather data
- Develop priorities and goals
- Draft plan
- Approve plan

Implementation

- Management
  - Personnel Authority
  - Contract Administration
  - Purchasing
  - Fiscal Management
  - Staff Training
  - Public Relations
  - Support Functions
  - Fund Raising

- Service Delivery
  - Program Development
  - Develop EGS Projects
  - Design Service Delivery System
  - Employer Services

- Coordination with other agencies
  - Governor
  - Other SDAs
  - Employment Service
  - LMI Providers
  - Related Programs
  - Economic Development Agencies

Oversight and Evaluation

- Review service outcomes
- Recommend or mandate change
- Evaluate overall effectiveness
- Review fiscal reports
- Evaluate management
- Evaluate subcontractors
- Institute quality control measures

ADMINISTRATIVE FUNCTIONS	CONSIDERATIONS
Planning **Gather data (past performance, labor market needs, demographics, *expressed needs of public and* private sectors, federal, state and local goals, etc.)** **Develop priorities and goals** • **Select target populations and goals;** • **Prioritize job training areas and goals (certify occupational skill levels);** • **Prioritize needed participant support services;** • **Set placement goals.** **Draft plan** • **Select mix of services to provided;** • **Develop budgets related to goals.** **Approve plan** • **Solicit public comments;** • **Approve final plan in conjunction with chief elected official(s).**	Every PIC agreement must include a procedure for development and approval of a bi-annual plan. The PIC and chief elected official(s) may delegate this responsibility. The PIC will most likely want staff *professionals to gather data and to draft a basic* proposal. Whose staff will do this? (This will depend on how the service delivery system is structured; the PIC may want to return to this section once they have in mind a basic service delivery structure.) The PIC may have its own staff prepare the plan, then present it to local government(s) and the public. It might subcontract portions of the tasks, notably the data gathering. Or the PIC may turn over the functions to local government. The key is for the PIC to state at which points it wants to have input or make decisions. The PIC can react to plans developed by staff, or the PIC can take an active role in developing goals and priorities. Many PICs will want to develop a subcommittee to handle these tasks (and any subsequent modifications of the plan), with the subcommittee submitting their work to the full PIC at certain points for feedback and eventual approval. The greater the role the PIC can take in developing priorities and goals, selecting services to be provided, developing budgets and soliciting public input, the more the PIC will understand and control the subsequent delivery of services. PICs who choose to delegate all but final approval of the plan risk not understanding the plan's basic assumptions and priorities, creating possible misunderstandings later. However, PICs must realistically evaluate the amount of time and energy their members can invest in the planning process, and PICs should be willing to delegate tasks to staff.
Implementation **Management** • **Personnel authority** Hire top manager(s); Supervise, evaluate, dismiss top manager(s); Write job descriptions; Set salary levels; Hear grievances; other personnel issues.	In almost every system, some individual is ultimately responsible to a board, government or similar entity for actually running the system. The body who selects, supervises and, if necessary, dismisses this person, maintains significant control over that system. If the PIC (or a subcommittee of the PIC) maintains this personnel authority, they will largely control the system. If the local government performs this function, an advantage is its preparedness to do so since the local government already has civil service

systems, compensation plans, grievance resolution systems, etc. These can also be a disadvantage in the amount of red tape, delay and general inflexibility of these systems.

If the top manager is hired by a private non-profit or a private for-profit firm, conflicts in priorities may result since the manager would likely report to other managers or boards within the organization, in addition to the PIC.

Within government, a top manager could conceivably report directly to the PIC, but the PIC should closely examine the proposed role and relationship to elected officials. In serving two masters, divided loyalties inevitably emerge.

- **Contract Administration**
- **Purchasing**

In both contract administration and purchasing, the PIC can define its role very clearly. It can delegate to its manager certain contractual authorities and reserve others for itself. For example:

- On-the-Job Training (OJT) contracts -- while the PIC may not want to approve every OJT contract, a good strategy might be to allow the manager to obligate a certain amount of funds for OJT, and request PIC approval if additional funds are necessary.

- Classroom training -- the PIC must establish guidelines for determining appropriate skill levels in occupational training programs. This can be done in the plan, or simply as programs are brought to the PIC's attention at regular meetings (or both). While many PICs will want management to place individuals in on-going training programs (such as the community college, vocational schools, etc.), it may not be practical to have the PIC approve each tuition voucher. The PIC could authorize the manager to approve a certain amount of money for tuition, and obligate it by occupational area.

Other classroom training programs may be set up especially for JTPA participants. The PIC may want to approve these as they are developed -- and in fact might initiate and guide some of them -- or, again, the responsibility can be delegated.

Similar purchasing strategies might also be adopted for contracts and purchases of participant support services (child care, transportation).

ADMINISTRATIVE FUNCTIONS	CONSIDERATIONS
	The PIC should also consider how much time it wants to devote to administering contracts and to purchasing. The PIC might simply charge the manager to stay within his/her budget, and to bring only contracts or purchases over $10,000 to the PIC for action. Should the PIC decide to delegate some of these responsibilities to government or to another organization, that entity may have further requirements for internal review and processing. The PIC should consider the amount of bureaucratic delay when assessing options.
• **Fiscal Management**	The PIC can choose to create its own accounting, tracking and reporting systems, or the PIC can delegate this to bodies who may have existing systems. The advantage to the PIC in maintaining this function is closer control. Setting up a new system, however, can be expensive and may be impractical for small SDAs. Governors may issue guidelines on this. Local governments are well prepared to handle these functions because local governments have systems in place to maintain the integrity of public funds. A local government might contract with the grant recipient to transact fiscal business for a set fee, if the government is not already the grant recipient. The grant recipient will want to play a major role in setting up the fiscal system in order to minimize its liabilities for fraud or misspent funds. (See Section VIII on Liability.) In fact, in many cases it is anticipated that the grant recipient will also handle fiscal administration in order to avoid duplication and to limit administrative costs.
• **Staff Training** PIC Local elected officials Staff	Training of the primary actors involved in implementing JTPA should be on-going. Learning about matters ranging from new regulations to performance standards to economic development can enhance the cooperative capacities of all partners in JTPA. Therefore, the PIC should charge some entity, whether it be its own staff, local government, a private non-profit, or a private for-profit, with providing training and discussion forums.

ADMINISTRATIVE FUNCTIONS	CONSIDERATIONS
• **Public Relations**	Another function the PIC can keep or contract out is public relations. The PIC is particularly suited to publicizing the positive contributions JTPA can make to businesses and communities. While the PIC can subcontract with a public relations or advertising firm to assist in this task, the PIC will probably want to oversee this task directly.
• **Support Functions** Arranging meetings; Communication with others; Corporate record keeping.	Many of the support functions seem mundane, yet the entity who controls this aspect can wield significant power. The PIC usually will delegate these tasks to the manager, if that person reports to the PIC, or hire an employee of its own to deal with these and other details. The local government, or another involved agency, may assign staff to these functions. The PIC may want to negotiate a role in the selection of this liaison person.
• **Fundraising, Grant Writing**	The SDA, at some point, may desire to raise funds outside of those provided through JTPA. The PIC can be influential in local fund raising. Grant writing should probably be reserved for technicians hired by management or by the subcontractor.
Service Delivery	The PIC can play an important role in the development of training programs. PIC members may often have access to information regarding local job creation, demand occupations, and skills needed by specific industries. While labor market data can be helpful in understanding trends, first-hand information from local industry is also necessary. PIC members can provide this kind of information, and can often set up contacts with industry experts for further information.
• **Program Development** Identify needed skills and skill levels; Develop program ideas; Determine scope and size of programs; Prepare budgets; Develop curriculum; Select vendors.	The staff assigned to program development, regardless of what entity they work for, may also be able to bring forth ideas and opportunities for program development. Training organizations, both non-profit and for-profit, will also propose programs. Therefore it is recommended that PICs not prescribe a single initiating point for program development, but rather pursue opportunities as they arise. In order to do this effectively, the PIC can adopt program priorities or standards which all training programs would have to address. (See Appendix A for one set of sample priorities.)

ADMINISTRATIVE FUNCTIONS	CONSIDERATIONS
	When receiving proposals from prospective training vendors, staff should prepare an analysis of the proposal, discussing how well it does or does not address the PIC's plan and priorities. The PIC's participation in program development is often effective when carried out by work groups. For example, a PIC considering developing an auto repair program convenes a temporary work group headed by a PIC member in that industry. Also invited are other experts, and, perhaps one or two prospective training vendors. A staff person is also assigned to this work group. The work group provides guidance as to what entry skills are needed in the auto repair field, reacts to proposals and curricula developed by staff, identifies prospective employers, and submits a recommendation to the PIC. If planned well, a work group should be able to complete its business in two or three meetings.
• **Develop and fund employment generating projects**	Traditionally, most PICs have reserved to themselves development and implementation of employment generating services (EGS). Under CETA, EGS funds could be spent on just about any project which would ultimately generate employment for program participants, except capital projects and loan funds. Marketing and economic development linkage projects were widely funded with EGS. EGS funds are relatively limited under JTPA; therefore, PICs will usually want to exercise significant control over them.
• **Design service delivery system** Develop organizational structure, staffing; Decide which functions to subcontract; Select subcontractors.	The PIC can play various roles in designing the service delivery system. Some models for service delivery design are presented in Section III. The PIC must decide its level of involvement. It may simply tell the manager the total amount of money allowed for administrative costs and personnel, and the outcomes required of those expenditures. Then the manager must meet those goals. Should he/she fail, the PIC would step in and impose the necessary corrective action. A major problem with this approach is that generally a year must transpire before sufficient information is available to indicate success or failure. The PIC can assist the SDA in determining which organizational functions should be contracted out and which are best performed by a central staff. Business people are generally accustomed to making such decisions based upon cost effectiveness as well as political realities.

ADMINISTRATIVE FUNCTIONS	CONSIDERATIONS
	If PICs desire, they can also become involved in the selection of subcontractors. This can be a time consuming process, and is often politicized, yet the PIC can often make such selections without the political repercussions an elected official or bureaucrat would fear.
• **Employer Services** Provide contacts and leads; Develop jobs; Assist with publicity.	Many PICs choose to concentrate their efforts in employer services. PIC members can open doors to businesses and organizations, set up or make presentations to organizations of business people, and generally assist in giving the program credibility. PIC members will undoubtedly be concerned that any program they seek to sell to their peers in the business community be able to fulfill its promises.
Coordination with Other Agencies:	At some level, someone in the SDA must coordinate the SDA's services with the services, goals and priorities of other pertinent groups. Much of this will appear in the plan.
• **Governor**	The PIC must be cognizant of the governor's goals, coordination criteria, and statewide plans which will be published by the State Job Training Coordinating Council. This information may also assist the SDA in competing successfully for special funds the governor administers directly to aid groups such as dislocated workers, older workers, etc.
• **Other Local SDAs**	If the SDA is located within a labor market area where other SDA's are also operating, the SDA must develop a plan for coordination with these other SDAs. One of the intentions of the Act is that the SDAs coordinate their approaches to employers in the area, so as to limit competition, duplication and waste. At the simplest level, top managers of the SDAs (or job developers or PIC chairs) could meet together monthly to compare notes and discuss cooperation. More elaborate plans could include creation of a computerized employer file, operation of joint marketing programs, etc.
• **Employment Service**	The Act also gives the PIC the opportunity to become involved with the planning and operation of local Employment Serivce offices. The PIC should probably request training in order to become familiar with Employment Service operations. Then the PIC can assess the potential for cooperation. For further information, see NAB's forthcoming Business Currents Technical Report on JTPA and Employment Service issues.

ADMINISTRATIVE FUNCTIONS	CONSIDERATIONS
• **LMI Providers**	The PIC must also become familiar with the operations of local and state labor market information agencies, since these will be providing necessary data for planning and program operation. The PIC will want to know to what extent special studies may be performed and how information is collected and categorized.
• **Related Programs**	Coordination with other agencies providing job training services is also required under JTPA. To duplicate programs that already exist in the area, PICs must demonstrate compelling reasons. It is also often to the financial advantage of PICs to utilize training programs which (1) don't have to be newly designed and developed and (2) may have access to other public sources of support (e.g., school districts or community colleges).
• **Economic Development Agencies**	Finally, PICs will want to coordinate their activities with those of local economic development agencies or corporations because this will enable PICs to know of jobs as they are being created. Politically astute PICs may be able to insert a hiring agreement into the conditions of an economic development package with a local employer. (For more information of economic development linkages, see "Economic Growth and Jobs," Rutgers University, Eagleton Institute. 1982.)
Oversight and Evaluation **Review service outcomes;** **Recommend or mandate changes;** **Evaluate overall effectiveness of training programs;** **Review fiscal reports;** **Evaluate management;** **Evaluate subcontractors;** **Institute quality control measures.**	JTPA requires that the PIC be involved in "oversight" of SDA activities, but does not define this oversight beyond saying it means "reviewing, monitoring and evaluating" (Section 103(3)). JTPA mandates that the PIC have access to any information it requires which is available through the SDA, but also expects that the PIC will set up procedures for oversight (Section 103(b)(2)). Some models for this oversight are presented in Section VII.

Five Models

This chapter provides examples of methods to administer JTPA. These examples are provided only as illustrations, and are not necessarily the best ways to administer the program in any jurisdiction.

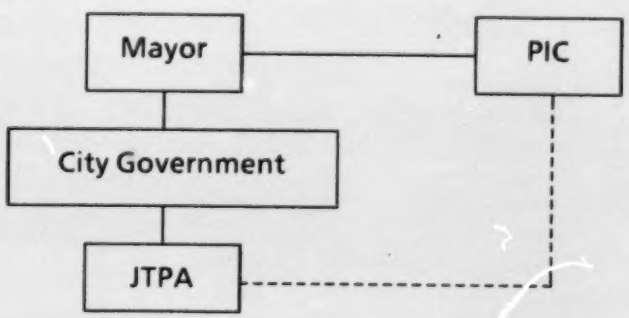
The models include systems administered by:

- Local government
- The PIC
- A non-profit organization
- A for-profit company
- A combination of local government, the PIC and a private non- profit

The five models are examples of how the decision-making process in an SDA can be structured. Actual program operations are discussed in Section VI. All the models assume that if the SDA is a consortium, it has formed or appointed one single entity (an executive committee or one of the chief elected officials) to act for the governments. Therefore, all references to chief elected officials or local government are meant to include the entity acting for the consortium.

Local Government Model

For the sake of discussion we will call this local government a city and the chief elected official the mayor. This model most closely resembles the manner in which most CETA prime sponsors were operated.



In this model the Mayor acts as the grant recipient. It would not be practical for the PIC to set up a separate grant accounting system without a greater administrative role. (Note however, that in a consortium it might make sense for the PIC to act as a grant recipient if two or more governments are acting as program administrators because the PIC can be a neutral third party.)

The City government sets up the administrative entity:

- creating a special unit solely devoted to JTPA administration; or
- integrating JTPA within an existing human services unit; or
- integrating JTPA within an existing economic development unit.

All staff, including the top manager, report to local government, presumably within the existing civil service system. The PIC has no staff of its own.

City Role

The City

- Develops and approves plan.
- Performs budget and fiscal functions.
- Provides administrative support and personnel functions.
- Operates the service delivery system and sets policies, subcontracting as appropriate.
- Negotiates and administers all contracts.
- Evaluates and reports on program operations to PIC and governor.
- Provides administrative support to PIC and trains it to understand how the service delivery system functions, how performance standards work, and how to interpret the reports they receive from staff.
- Markets its programs and services to employers.
- Conducts audits.

PIC Role

The PIC

- Provides some initial input into plan.
- Conducts public forums for planning.
- Approves the plan and modifications together with the chief elected official.
- Establishes skill level guidelines.
- Approves all employment generating services (EGS) expenditures.
- Provides program oversight by monthly review of budget status, contract status, participant enrollment and placement data, and progress toward performance standards.

This model illustrates a PIC being minimally involved. JTPA requires that the PIC exercise policy guidance and oversight, and approve the plan, and establish occupational skill levels for training programs. The approval of employment generating services expenditures is the only item not required by the Act. The PIC retains control over this item because usually the results of EGS projects are not measurable against performance standards. So in order to best exercise oversight of these funds, the PIC retains decision making authority for them.

Advantages

The major advantages to this system are:

- conservation of PIC members' time;
- the utilization of existing support systems within the City government;
- the lack of a necessity to disturb the framework of a CETA system that currently functions well;

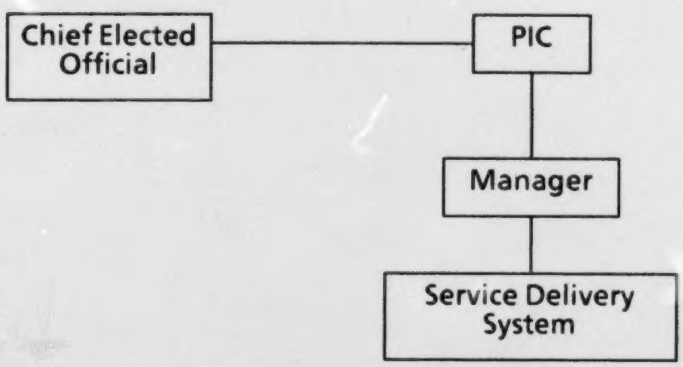
Disadvantages

The major disadvantages are:

- the restrictions of the city's civil service system;
- the limitation on PIC members' involvement, thus limiting the information or experience that PIC members need to be able to influence the SDA.

PIC Model

In this model the PIC has incorporated (as a private non-profit) and becomes the grant recipient. The chief elected official has agreed that local government will have a minimal role in running the program.



The PIC, as the corporation's Board of Directors, has hiring and firing authority over the manager. The chief elected official could share the hiring prerogative by exercising a veto. This would have to be spelled out in the PIC agreement.

Most of the actual operation of the program is delegated to the manager, with some decisions reserved exclusively for the PIC. (See Chart on next page.)

Chief Elected Official

- Approves plan.
- May have hiring veto.
- May perform oversight.

PIC

- Hires/fires manager; sets salary.
- Approves total number of staff positions and total personnel expenditures.
- Provides input into plan.
- Conducts forums for public input.
- Approves plan and modifications (together with chief elected official).
- Establishes skill level guidelines.
- Approves all EGS expenditures.
- Approves all training contracts over $25,000, all personal services contracts over $10,000 and all purchases or leases over $5,000.
- Contracts to provide training for itself.
- Works with manager to market programs.
- Provides program oversight by monthly review of budget status, contract status, participant enrollment and placement data, and progress toward meeting performance standards.
- Conducts audits.
- Mandates corrective actions by manager.

Manager (delegated duties)

- Drafts plan.
- Sets up and manages administrative systems (fiscal, policy, planning, information, evaluation, etc.).
- Sets up and manages program operations, contracting out functions as necessary (subject to contracting procedures).
- Executes training contracts of $25,000 or less, personal services contracts of $10,000 or less and leases/purchases of $5,000 or less.
- Hires/fires staff.
- Provides PIC support as requested.
- Works with PIC to market programs.

Because the PIC has created its own administrative entity in this model, it has to set up some checks and balances which would normally be present in governmental structures. For example, in the local government model, the city council would likely have to approve contracts or purchases in excess of a set amount. In this case, the PIC does the approving. The PIC also seeks to conserve its time and energy by using a professional staff that reports directly to it.

PIC Subcommittees

In order to function most efficiently, this PIC sets up five subcommittees:

- Administration - oversees management, public relations and lobbying
- Program Development - develops ideas for programs, issues Requests for Proposals, reviews proposals, makes program recommendations to full PIC (includes EGS development)
- Operations - works with the manager to develop and oversee a service delivery system
- Evaluation - performs oversight functions, passes on highlights to PIC
- Executive Committee - works with staff in developing plan and modifications, develops budgets and reviews policy. Also acts as liaison with chief elected official.

The Executive Committee, comprised of the PIC chairperson and the chairs of the other subcommittees, focuses the viewpoints and findings of all the committees on the development of the plan.

Each PIC member is appointed to one or more subcommittees by the PIC chairperson. Non-PIC members may also be appointed by the chair to serve on the subcommittees either on a permanent or ad hoc basis.

Advantages

The main advantages of the PIC model are:

- a focus on PIC priorities since the PIC usually has no other goal or agenda outside of the administration of effective employment and training programs;
- the flexibility of administrative systems;
- the freedom from civil service requirement; staff could be compensated on a commission or incentive basis;
- the ability of the PIC to take immediate action to remedy problems;
- the ability to attract and maintain a higher level of involvement from business leaders than could be attained from an inactive or "rubber stamp" PIC.

Disadvantages

The main disadvantages include:

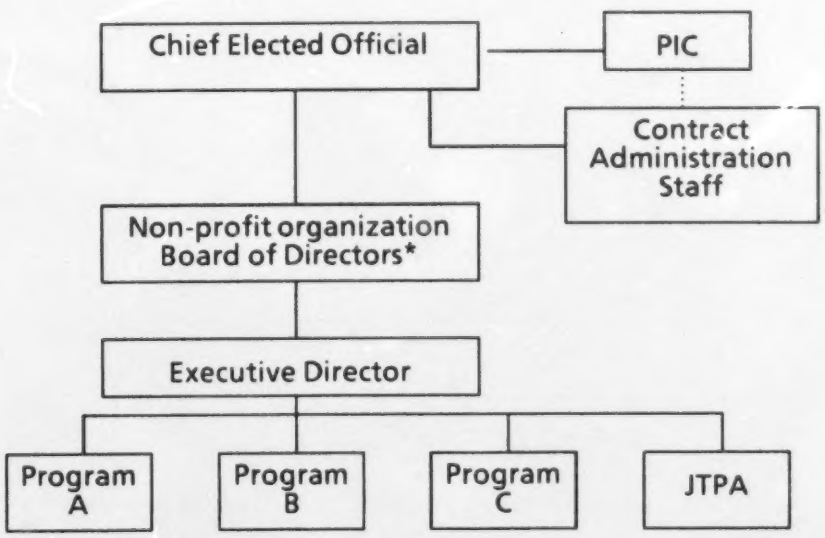
- the incurring of PIC liability for misspent funds (See Section VIII on "Liability");
- administrative systems have to be created "from scratch";
- the considerable amount of time that may be required of PIC members.

Non-Profit Organization Model

A wide variety of non-profit entities can be used in administering JTPA including, but not limited to:

- community based organizations (CBOs)
- the public school system
- a community college
- an economic development corporation

In this model the local government has been made the grant recipient; it legally could have been the non-profit, but the chief elected official and PIC agreed that they wanted some degree of control over the funds.



* Note that the Board of Directors does not report to the chief official; this line only indicates the flow of funds.

The chief elected official retains some of the JTPA funds to hire a small staff. For the sake of simplicity, the PIC agreed that the staff would work for the local government, but the chief elected official agreed to give the PIC hiring and firing authority within the confines of the civil service system.

The duties break down as follows:

The PIC

- Provides some initial input into plan.
- Conducts public forums for plan input.
- Approves the plan and modifications (together with chief elected official).
- Establishes skill level guidelines.
- Approves all EGS expenditures.
- Provides program oversight by monthly review of budget status, audits, contract status, participant enrollment and placement data, and by assessing progress toward meeting performance standards.
- Hires, fires staff within civil service rules.
- Assists with marketing.

The Contract Administration Staff

- Drafts plan.
- Performs contract administration functions.
- Provides PIC support as requested.
- Provides or contracts for PIC training.
- Monitors and evaluates service delivery system.

The Chief Elected Official

- Approves plan (Together with PIC).
- Disburses and accounts for funds.
- Performs audits.
- May exercise oversight.

The Non-Profit Organization

- Sets up and manages administrative systems (Fiscal, policy, information, evaluation, etc.).
- Sets up and manages program operations, executing subcontracts as necessary.
- Hires, fires staff.
- Markets programs with assistance from PIC.
- Evaluates and reports on programs as requested by PIC and chief elected official.

While this system is more complex than others, it may be the appropriate one when a non-profit entity has significant success and experience in running employment and training or related programs, and when both the PIC and local government desire to limit their direct participation in the delivery of services.

Advantages

The advantages to this system are:

- the utilization of an existing agency with appropriate experience within the community;
- the conservation of PIC and government time.

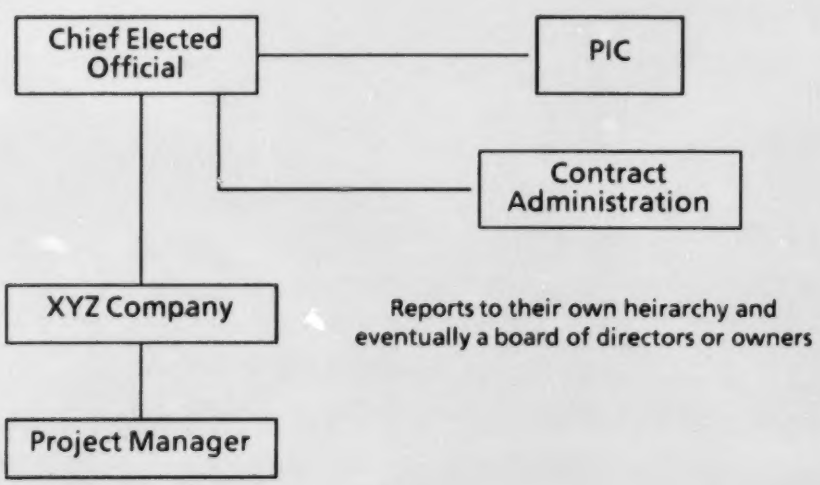
Disadvantages

The disadvantages are:

- the incurring of administrative costs by both local government (as grant recipient and contract administrator) and by the non-profit agency;
- the difficulty of the PIC or local government to mandate changes or influence the program except when the contract with the non-profit agency is up for renegotiation;
- the addition of bureaucracies;
- the reality that JTPA is only one of many concerns of the non-profit's board of directors.

For-Profit Model

Utilizing a for-profit firm as the program administrator is also possible and works much the same way as using a non-profit. The various "job descriptions," therefore, will not be listed again.

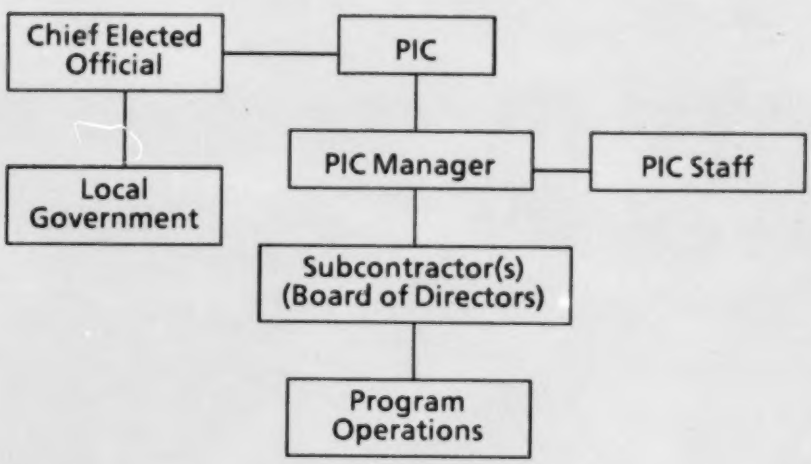


The local government is the grant recipient, and the advantages and disadvantages are the same as for the non-profit structure with these added features:

- the ability to issue contract payments could be based upon outcomes (a common method of doing business in the private sector)
- the ability to pay staff on a combination of salary and commission or incentive payments
- the increase in efficiency which some assume will occur because the private sector is involved

Joint Venture Model

This model combines the services of local government, the PIC and a subcontractor, who could be a non-profit, a for-profit, or even government. The program administration role is shared by the PIC and the local elected official. Direct participant services are provided by one or more subcontractors who are experts in their fields. The local government is the grant recipient.



The roles break down as follows:

The PIC

- Provides some initial input into plan.
- Conducts public forums for plan input.
- Approves plan (together with chief elected official).
- Establishes guidelines for skill levels by reviewing labor market information and talking with local employers.
- Approves all EGS expenditures.
- Provides program oversight by monthly review of budget status, audits, contract status, participant enrollment and placement data and progress toward meeting performance standards.
- Hires, fires manager, sets salary (in conjunction with chief elected official).
- Approves training subcontractors jointly with chief elected official.
- Works with staff on marketing and PR.
- Approves total number of PIC staff positions and total personnel expenditures.
- Approves personal services contracts over $10,000 and purchases/leases over $5,000 (for PIC staff).

The PIC Manager

- Drafts plan.
- Performs contract administration functions.
- Provides PIC support as requested.
- Provides or contracts for PIC training.
- Works with PIC in marketing and PR.
- Hires/fires staff
- Monitors and evaluates service delivery system.
- Acts as liaison between all parties.
- Maintains administrative systems (fiscal, policy, planning, information, etc.)
- Executes personal services contracts $10,000 or less and purchases/leases $5,000 or less.

The Chief Elected Official

- Approves plan (together with PIC).
- Disburses funds to PIC and subcontractor(s).
- Hires/fires manager, sets salary (in conjunction with PIC).
- Approves training subcontractors jointly with PIC.
- Accounts for funds to governor.
- Performs audits of PIC and subcontractor(s).
- Exercises oversight jointly with PIC.

The Subcontractor(s)

- Set up and manage program operations and client services.
- Hires/fires staff.
- Evaluate programs, report data to PIC staff.

In this model the PIC and the chief elected official make the major administrative decisions jointly. The elected official sits on the PIC in an ex-officio (non-voting) capacity.

The subcontractor(s), who provide the direct training and support services to participants, are usually selected by one of two methods:

1. Request for Proposal -- The PIC issues an announcement that it wants certain program operations designed and delivered within certain cost limits. Organizations respond to this by detailing their ideas, approaches, expected outcomes, and costs.

2. Request for Quotation -- The PIC issues specifications for a program including outcomes, and sometimes the PIC prescribes processes. Organizations respond with how much they would charge based upon quantifiable outcomes.

In order to operate this structure, the PIC would need a strong subcommittee structure such as that outlined on page 21.

Advantages

The advantages of this model are:

- the program decisions are made by the PIC which is dedicated solely to administration of JTPA;
- the flexibility of administrative systems; no civil service requirement;
- the ability to employ subcontractors to provide specific, quantifiable services under contracts which can be performance based;
- the limited liability of PIC since all funds are actually administered by the local government;
- the ability of the PIC to negotiate for program operations;
- the ability of the PIC and local government to enjoy joint control and supervision of the program.

Disadvantages

The disadvantages are:

- the creation of a fairly complex system with many actors;
- the necessity for the PIC to create administrative structures "from scratch."

SECTION IV: THE JOB TRAINING PLAN

At least every other year, every SDA must set forth a comprehensive plan stating how it plans to spend its JTPA allocation, and how it will meet the performance standards prescribed by the governor and by the Department of Labor. Both the PIC and the chief elected official(s) must approve the plan before it is submitted to the governor. The governor must also approve the plan, but can only disapprove it if it violates some provision of the Act or if there is evidence of serious fiscal mismanagement. (See Section 104 of the Act for details.)

Just as the PIC and the chief elected official(s) jointly approved of the process for plan development in the PIC agreement, the PIC and chief elected official(s) must approve the content of the local employment and training effort.

Components

The basic components of the plan are:

- an analysis of local labor market data;
- an analysis of demographic data within the SDA;
- a statement of goals and objectives of the SDA;
- a statement of budget and enrollment projections;
- a description of administrative and service delivery structures.

The SDA states its goals and objectives in terms of the target groups it plans to serve, the general occupational areas planned for training, and the types of training services and support to be provided. Because the "mix" of training services to be provided must also be described, the SDA should state how many participants (and how much money) will be involved in on-the-job training (OJT), classroom training, pre-employment training, basic skills training, work experience, etc. (See Section VI for more information on training options.)

The plan also states how many participants will enter unsubsidized employment, how many will return to school and how many will drop out for other reasons. It is likely the JTPA plans will also have to include some projections on how they will or will not meet state and federal performance standards. After performance standards have been in effect for a while, plans must also describe the extent to which activities exceeded or failed to meet relevant performance standards.

The plan must also describe how the SDA intends to comply with the governor's plan for coordination and special services. If there is more than one SDA in its labor market area, the SDA must describe measures planned to coordinate with these entities.

Two Year Plans

Unlike CETA, JTPA prescribes a two year planning cycle, allowing SDAs to obligate funds over two to four years. Except for an initial period of adjustment, each plan will cover a period of two program years as well as any proposed obligations or expenditures for an additional two year period. The period of adjustment will be from October 1, 1983 through June 30, 1984, after which time the system will be based on the July 1 through June 30 year (called the "program year"), as opposed to the October 1 through September 30 federal fiscal year.

At certain times of the year, probably quarterly, the PIC and the chief elected official(s) can choose to modify the plan to bring it more into line with actual experience, or to provide for changes in local economic and labor market conditions. All modifications to the plan must be approved by the PIC and chief elected official(s) and submitted for the approval of the governor.

Public Comment

Under CETA it has been required, and politically prudent, for the prime sponsor to hold public hearings on the proposed plan prior to its initial drafting and again after the document's completion. Other prime sponsors simply do the latter.

This public comment process enables the PIC, to understand the employment and training politics of their community, and also provides a forum for all interests, thus safeguarding the public interest.

PIC Review of the Plan

On the surface employment and training plans often appear to be a profusion of numbers, charts and forms. To begin a review of training plans, PIC members should ask:

- How many unsubsidized placements are planned?
- How much will be spent per placement?
- How does this cost compare with prior years, taking into account the change in client support services?
- What services will be provided and in what configurations? What is the rationale?
- What are the target populations? Why?
- What support services will be provided, to whom, and why?
- What functions will be handled "in-house" and which contracted out? Why?
- How many staff positions (both services and administration) are budgeted?
- Does the plan meet or exceed the state and federal performance standards? Explain any variations.
- Have other service delivery options or models been considered and rejected for good reasons?

While PICs oversee the activities occuring within the SDA, state agencies will monitor the activities of the PICs. Unlike most federal programs, however, JTPA promises rewards for programs which do well along with sanctions for those who don't.

The measure of who is doing well and who is not will be based on a set of performance standards. (See Section 106 of the Act.) The intent of Congress was to create a relatively uniform measure of "return on investment" for Title II programs. This measure will be based upon the increased employment and earnings of participants and the reduction in welfare dependency. The latter measure does not apply to youth programs.

The Secretary of Labor and the National Commission for Employment Policy are also charged with determining exactly how these measures will be applied. Some initial standards are to be published by April, 1983; standards for the first program year will be published by January 31, 1984. Thereafter, DOL may not change these standards more often than once every two program years.

The governor may prescribe variations in the performance standards based on conditions within that state. The Secretary of Labor will determine the limits of such variations.

Incentives

Six percent of the total JTPA funds available to a state are to be allocated by the governor to SDAs who exceed their performance standards. (See Section 202 (b)(3)(B)). The governor is to divide these funds equitably among SDAs who have exceeded their standards, and served "hard-to-serve" individuals. If funds are available, they may also be spent to provide technical assistance to those SDAs who failed to meet their standards.

Other State Funds

The governor also has several other major sources of JTPA funds to administer which can directly benefit SDAs:

- State Education Coordinating and Grants (See Section 123)
- Training Programs for Older Individuals (See Section 124)
- State Labor Marker Information Programs (See Section 125)
- State Job Training Coordinating Council (See Section 122)
- Title III Displaced Worker Programs (See Section 301).

While a portion of these substantial funds will be spent directly at the state level, some SDAs may wish to propose themselves as service providers.

Sanctions

If an SDA doesn't meet performance standards after the first year, the governor will provide technical assistance to the SDA. Should the failure persist a second year, the governor will impose a reorganization plan which may:

- restructure the PIC;
- prohibit the use of certain service providers;
- select (jointly with the chief elected official) an alternate administrative entity; or
- make other changes to improve performance as the governor deems necessary.

SECTION VI: PROGRAM OPERATIONS AND SERVICES

Most Important Activities

Of all the critical decisions and choices which must be made to move toward a true public/private partnership under JTPA, none is more critical than the decision about the types and mix of activities and services which will be available to the program's clients. Ultimately, the outcome of these services is what will be evaluated and judged.

In order to make informed decisions about program activities and services, some information is needed about allowable activities and about services most commonly provided by delivery systems. Generally, employment and training services can be divided into the following categories:

- Client management -- These activities are primarily concerned with client flow and control, the planning of individual services, and resource allocation and management.

- Supportive services -- These services provide one-time and on-going material assistance, including financial assistance, necessary for an individual to successfully participate in training or in other job-seeking activities.

- Training/employability development -- These activities and programs are designed to provide clients with occupational skills and appropriate labor market behaviors, and to assist clients with securing related employment opportunities.

- Employer/labor market services -- These activities focus on finding markets for the program's product (trained workers), selling the program's services (job development and placement), and providing follow-up services and assistance.

Caveats

Some points to be aware of when considering program operations and services are:

- For Title II funds, the funds allocated to the SDAs, JTPA sets some limitations on costs for certain types of expenses and activities. These limitations, and provisions for exceeding the limitations, are set forth in Section 108 of the Act and the regulations.

  Generally, the limitations are:

  - a maximum of 15% of the available funds for administration;

  - a maximum of 30% of the available funds for administration, work experience, supportive services, needs-based payments, and employment generating services;

  - a minimum of 70% of the available funds for training-related services and activities.

- The Act defines an "adult" as any individual who is 22 years of age or older, and a "youth" as an individual who is aged 16 thorugh 21, except that in some exemplary youth programs, individuals aged 14 and 15 may also be served.

- Individuals served in the program must meet specific eligibility criteria based on income, age and barriers to employment as defined in the Act, or as issued by the Secretary of Labor, or the Office of Management and Budget (OMB).

- JTPA is not, as CETA was not, an "entitlement" program. Although an individual may be eligible for services under JTPA, that individual is not entitled to be enrolled, or served by the program. This is unlike programs such as welfare, or veterans' benefits, where any individual who meets the requirements of such programs must be served.

In developing the plan, SDAs may establish priorities for clients to be served so long as those priorities are reasonable in light of the purpose of the Act, are neutrally and consistently applied, and are not de facto discriminatory. For example, an SDA might give the lowest priority for program enrollment to otherwise eligible individuals with the highest attained education or training. Therefore, an individual with a high school diploma would have priority over a college graduate but would have a lower priority than a high school drop-out,. But, a high school graduate could have a higher priority over a high school drop-out who had successfully completed a vocational training course in a demand occupation in the recent past.

Such priorities, neutrally applied, would be reasonable and would work to forward the purpose of the Act by serving those "most in need."

Client Management

This category of program operations and services concerns itself with the orderly and productive management of clients and resources. A successful client management system should address:

- outreach
- intake/eligibility determinations
- orientation
- assessment
- counseling

Outreach

This is, as the word implies, the systematic reaching out to the eligible population to inform them of the opportunities available through the program, of the general program requirements, and of the program's goals and objectives.

The need for outreach largely depends on the flow of applicants seeking program services and on the need to reach special client groups which have been targeted for service in the training plan.

Outreach can be performed by existing staff, through sub- contracting arrangements, through voluntary referrals from community service agencies and organizations, or through a combination of all of those means.

Intake/Eligibility Determination

A formal determination must be made concerning whether all applicants for services meet the eligibility criteria for enrollment into the program. Highly specific, structured procedures must be established for the intake process. These procedures require strict quality control measures such as an immediate review of all documents and forms by a first-line supervisor, an additional review for completeness of information by the information and reporting staff (usually, the Management Information System staff), and a subsequent, regularly scheduled review of a statistically- significant sample of all intakes performed during a given period by an independent monitoring unit.

All of these precautions are necessary because the majority of questioned or disallowed costs in audits of CETA programs stemmed from ineligible participants being enrolled in the program.

This exposure to audit liability must be controlled in the intake process. The administrative entity must require the greatest controls on the intake/eligibility determination and should receive significant assurances from any organization that it sub- contracts with for intake services.

Orientation

If this activity is undertaken, it should be done as soon after enrollment as possible. It is economically feasible to make orientation a group activity. The purpose of orientation is to generally describe the program, its benefits, capabilities, and requirements; to advise the new enrollees of the process which they will find themselves in, their rights, and their responsibilities. During orientation, special requirements can be explained, written material can be distributed, and enrollees can complete other necessary documents, such as a statement acknowledging that they have been notified of program requirements and benefits, and they have also been informed about the established procedure for filing grievances and complaints.

Assessment

Once an individual is enrolled in the program the process of learning more about that individual in relation to labor market demands begins. Assessment is a tool in that process. An assessment can be a verbal or written test or inventory checklist that identifies aptitudes and interests. Assessments can be formal, structured, and timed, or they can be informal, self-directed, and open-ended. Assessment tools and processes are most useful and best justified when they are used to screen in rather than screen out, and when they are used to assist the client in making realistic vocational choices rather than as a device for labeling individuals.

How assessment and testing occurs is not nearly as important a concern as how the clients perceive that the assessment results will be used. Many JTPA clients will have a history of not succeeding in the institutions and systems of our society, and many will come to the program bearing labels which they resent. Assessment has a value to JTPA programs only to the degree that the results are used to help program clients understand and help themselves rather than to be used by the program as an excuse for not being able to help the clients.

Counseling

This function has many names, including case management, casework, employment services, training services and client relations. Counseling is the process of individual guidance which helps clients get to the point where they can help themselves.

This function entails the one-on-one staff/client relationship which interprets the program activities and services into an individualized employability development plan (EDP). This is a mutually agreed upon action plan for successful training and job placement of the client. The EDP also should provide the cost estimates and resource obligations (client budget) for achieving the desired results.

Ultimately, the counseling function bears major responsibility and accountability in accomplishing the objectives of the program. There is a need to guard against "counseling" activities that go far afield of employment centered concerns. Employment counseling concentrates on more tangible subjects such as labor market information, realistic vocational choices, and practical training plans.

At a minimum, counseling should require a structured employability development plan which contains definitive documentation on:

- individual orientation
- labor market barrier identification
- education/work history
- assessment test or score interpretation
- occupational interests and choices
- training plan and time line
- supportive services needs
- needs-based payments justification
- individual client budget projection
- follow-up plan
- signed client agreement

All of this information should be contained in a uniform client file which includes narrative notes on client contacts, progress reports and follow-up information.

Supportive Services

Clients seeking assistance from JTPA programs are economically disadvantaged, unemployed members of the community. They may be youth, high school drop-outs, welfare recipients, ex-offenders, handicapped,

displaced homemakers, or new entrants into the labor market. Their common characteristics are that they are poor and have, at best, a marginal history in the labor market.

In these circumstances, individuals who can benefit from and are most in need of program services may find themselves in a position where they cannot afford to participate in the program without financial and other assistance.

Supportive services are not meant to serve as a reward for enrollment in a training program. Nor should such services function as a substitute for or be a supplemental program of transfer payments. Supportive services should provide emergency and on-going assistance intended to ameliorate personal crises and assist in serving as a stabilizing influence sufficient to permit individuals to participate in and concentrate on those program activities which will lead to productive employment.

Essentially, supportive services are intended to provide for the human need. But a well thought out system of such services could be structured in such a manner that the assistance could also servee as an additional incentive to progress and success.

Counseling should identify any need for supportive services. The key to whether this need is appropriately addressed with JTPA assistance or other assistance is the degree to which the assistance works toward eliminating a barrier to the labor market, including a barrier to participating in a skills training program.

To decide what of support services to provide on the local level, consider:

- how many of the necessary services are already available in the community without charge to the SDA;
- which services are deemed essential for successful participation in training and other activities; and
- how much money is available for these services given that the legislation effectively limits the funds available for work experience, employment generating services, needs-based payments and supportive services to 15% of the SDAs total adult and youth (Title II) grant funds.

PICs should be aware that under CETA, supportive service expenditures were essentially unlimited. Until recently, the legislation required that all participants who were not receiving welfare payments receive the minimum wage for time spent in training activities. It is estimated that such expenditures totalled 30-40 percent of the funds allocated to each prime sponsor. Therefore, the limitation placed on these expenses under JTPA is a significant change which every program will have to address.
Generally, most delivery systems provide supportive services that fulfill the following types of needs:

Emergency Needs

These are most often encountered at the beginning of a client's participation in the program. Generally, these needs must be addressed before any meaningful employment planning can proceed. The most common of these short-term problems and needs are:

- Health/medical problems
- Emergency housing assistance needs
- Critically delinquent utility payments
- Food and clothing assistance needs

On-going Needs

Beyond dealing with crises or health- endangering needs, there will often be on-going costs associated with participating in the program, which clients will not have the financial ability to afford and which, if not provided for, may force clients to prematurely drop from the program. Usually, these costs are:

- Transportation to job or training site
- Childcare
- Special services and/or materials for handicapped individuals

Additionally, for clients that have no means of support at all to provide for their day-to-day needs, the program may want to provide regular financial assistance. Such assistance is referred to in the Act as "needs-based payments."

Payments may be made to clients in cases where they are necessary to enable those clients to participate in training programs and activities. These payments are based on a locally developed formula or procedure and shall be documented in accordance with instructions from the governor.

Which supportive services to provide, if any, is the option of the local SDA, but any such services to be provided must be described in the job training plan. Items such as tools and special work clothing provided for training or employment purposes are considered training costs, not supportive services.

Employability Development and Skills Training

Not less than 70% of the funds available to an SDA from Title II of JTPA (adult and youth programs) must be spent for training and training-related activities. Training costs include all costs for staff engaged exclusively in direct client services, training, and employer outreach activities. Staff engaged in training activities as well as administrative or other functions may be prorated between training and other appropriate cost categories.
SDAs may also choose to provide any of a range of training activities which are best suited to the needs of the labor market area and to the needs of the target populations identified in the plan. Training activities can be classified as activities which address the need for employability development, and activities providing specific skills training. These classifications should not be seen as "either/or" choices. Often, one or more of the activities in each classification may be included in a client's overall plan. The training classifications are:

- Employability Development -- those types of activities generally directed at improving understanding of the labor market, influencing positive work behavior, and upgrading basic learning and communication skills.

- Skills Training -- activities and instruction directly related to the teaching of a specific occupation or job skill.

The type of training activities and the allocation of resources to those activities, as well as the method to be used for providing those activities, are decisions that must ultimately be made by the PIC. The PIC may choose to make these decisions during the process of developing the plan, or the PIC may exercise its option at the time that the plan is presented for the PIC's approval.

Allowable Activities

Section 204 of the Act provides that a wide variety of training services may be made available to youth and adults with program funds. These services include, but are not limited to:

- Job Search Assistance -- a group of activities which provide labor market information, programs for individuals and groups, job clubs, and individualized job search plans. This assistance can be beneficial and inexpensive (with very limited supportive services provided) for clients with a marketable job skill. Job search assistance also may be a follow-up activity for clients who have successfully completed a skills training program.

- Pre-employment Training -- generally a classroom, structured activity which provides labor market information, introduction to the world-of-work, instruction on correct completion of resumes and employment applications, and an awareness of required workplace behavior.

- Bi-lingual Education -- specialized instruction for non-English and limited-English speaking clients designed to make them sufficiently functional in English to proceed with their individual employability plan.

- Remedial Education and Basic Skills Training -- generally programmed instruction to improve reading, writing and computational skills of clients who have educational deficiencies. (This is often called "Pre-Vocational Training".)

- High School Equivalency (GED) -- generally, an activity, coupled with remedial education, which is designed to provide an equivalency certificate to indivduals lacking a high school diploma.

- Pre-apprenticeship Training -- specialized instruction which is designed to prepare clients to compete for acceptance into apprenticeship training programs, usually in the trades. This training may be coupled with high school equivalency programs if a high school diploma or GED certificate is a requirement of the apprenticeship program.

- On-The-Job Training (OJT) -- a job placement activity which provides for reimbursement to the employer of an amount equal to as much as 50% of the entry-level salary of an employee. OJT compensates the employer for extra-ordinary supervision and material costs and reduced productivity during the new employee's training period. OJT programs are generally viewed as the most effective job placement tools because the employer is able to screen and to select the new employees and then train them according to that employer's specific needs.

- Institutional Skill Training -- traditional occupation-specific training, which is provided by a public or private training vendor with demonstrated training capability. SDAs may buy class-size training or purchase individual training slots, or may negotiate with the vendor to customize a special program to train for an identified demand skill.

- Upgrading -- a training agreement with a specific employer to train existing employees for more advanced positions with that same employer in order to facilitate advancement from within the employer's existing work force. This is usually coupled with a further agreement from the employer to hire an equal number of trained, or trainable entry-level employees referred by the SDA to fill vacancies created through upgrading.

- Retraining -- a program to retrain existing employees who have received bona fide layoff notices due to skill obsolescence. The employees may be retrained for jobs requiring new skills with the same employer, or they may be retrained for demand occupations in the labor market area, or another area to which the participant is willing to relocate.

- On-site Industry Specific Training -- a training program operated by an employer, or group of employers in a single industry at the facilities of one or more of those employers. The training may be conducted to meet identified employment needs within that industry or to support general economic development activities directed at creating industrial growth and increasing employment opportunities.

- Employer-Specific Customized Training -- a training program designed to meet the special requirements of an employer who has entered into an agreement with the SDA to hire new employees who are trained to the employer's specifications. The training may occur at the employer's site or may be provided by a training vendor able to meet the employer's requirements.

- Private Sector/Union Demand-Occupation Training -- training programs designed to meet emerging labor market demands which may be identified by employer groups, business organizations, and labor organizations.

- Work Experience -- a hybrid activity which can be an employability development activity, or a skills training activity. A client may be referred to a "work situation" with a government agency or a private non-profit organization with a full wage subsidy which is paid with JTPA funds. Because a work experience position has a high potential to function as nothing more than a subsidized public service employment job, the Act contains restrictions on the duration of work experience, and sets limitations on wages and total available funds (Section 108 (b)(2)(A)).

Exemplary Youth Programs

Beyond the services described so far, the local SDA may choose to fund additional programs to meet the special employment needs of youth in the labor market area. Section 205 of the Act describes four such programs, any one or all of which may be included in the job training plan.

- Education For Employment Program -- a program to operate a network of learning centers at convenient locations throughout the SDA to prepare students to meet state and locally determined basic education competency and high school equivalency requirements. Services would be available to students, high school graduates with educational deficiencies, and high school dropouts, with priority for dropouts.

- Pre-employment Skills Training Program -- an in-school program for youth, including 14 and 15 year olds, designed to provide up to 250 hours of instruction and activities in a variety of labor market, job search, and basic skill areas. Priority should be given to those not meeting established levels of academic achievement who plan to enter the full-time labor market upon leaving school.

- Entry Employment Experience Program -- a program providing subsidized employment opportunities in the public and private sectors for individuals who are enrolled in secondary level education, with priority to those not planning to go on to post- secondary education, and who meet other restrictions of Section 205 (d).

- School-to-Work Transition Assistance Program -- a program directed at high school seniors planning to enter the full-time labor market upon graduation. Transition services may include job search assistance and referral to training if necessary, including referral to adult training activities and the Job Corps.

Summer Youth Programs

The Act also provides for the operation of a Summer Youth Employment and Training Program during the summer months for economically disadvantaged youth, including 14 and 15 year olds. Summer Program funds may be used to provide most allowable Title II activities and serivces.

The Private Industry Council will have the major role in decisions regarding program services and activities because the PIC must approve the job training plan (Section 103 (d)), and because no occupation skills training program may be funded unless the level of skills to be provided in

the program meet the guidelines established by the PIC (Section 107 (d)). Since 70% of the funds must be spent on training and related activites, thelatter provision makes the PIC a powerful member in the public/private partnership.

Employer Services

The services traditionally provided to link local employers with the employment and training system fall within three categories: job development, marketing and special services.

Job Development

The process of matching qualified participants with available jobs is probably the most difficult -- and most important -- task of any agency in the employment and training business. There are several sensible ways to go about it.

First, job development can be client-centered, market-centered or a combination of the two. In purely client-centered job development, job openings are sought with specific clients in mind. This eliminates situations where, for example, the job developers get job orders for 20 typists only to discover that there are not any trained typists in the system. Market-centered job development activities are carried on without regard to the needs of specific clients awaiting placement. Usually a combination of these two approaches works best.

In setting up a job development mechanism it is important to consider the following factors:

- Accountability -- Job developers must be held accountable in some manner in order to assure appropriate placements. Job developers can be paid totally or partially with incentives, based on the number of job orders received, placements made, etc. Job developers can also use on an "account executive" approach in which they service various employer accounts on an on-going basis.

- Adequate response time -- The job development services provided must be flexible and responsive to the needs of employers. Interested clients must be identified and referred to prospective employers within a very short amount of time. This is critical to the success of the program and necessitates a centralized system for identifying potential applicants quickly, an adequate pool of skilled workers who are "job ready," and an efficient screening process.

- Quality control -- Employers who are satisfied with JTPA services will use the system repeatedly and will provide positive references to other employers. For this reason it is critical that the job development function be quality oriented. This means that the job developer fully understands the job he/she is trying to fill, that the qualifications are clearly stated and related to the jobs, and that only fully qualified applicants are referred. If a qualified client isn't currently available in the system, the employer should be so informed. This means being able to realistically assess whether or not a client can perform the basic functions of the job in a productive manner.

For quality control it is important to follow-up on all placements, in order to help resolve any problems that may arise and to evaluate the success of the placement.

Job Development: Structural Models

Job development functions can either be integrated with the client management functions or can be contracted to a separate entity.

Some successful programs have included job development functions in the duties of case workers. Each case worker is responsible for specific clients from the time of enrollment through placement. The advantage to this client-centered plan is that no time or energy is lost identifying appropriate clients because the jobs are developed with individuals in mind. There are several disadvantages. It is difficult to coordinate the job development efforts for such a group as they may all be knocking on the doors of the same employers. Finally, case workers sometimes become wrapped up in the "social work" aspect of their jobs, making it difficult to become salespeople for purposes of job development. These factors, combined with the requirements of paperwork, sometimes make job development a low priority.

A separate job development unit can be created, either in the same organization as client management or in a separate organization. The workers in a job development unit divide their time between marketing activities and screening participants. While it is possible to have a job development unit which deals only with soliciting job orders, it is usually better to have this unit "deliver" the product as well. This holds job developers accountable, and ensures that they promise employers only what can be delivered.

Job development requires a reliable client information system (possibly computerized) so that potential qualified applicants can be readily identified. Then, during a personal interview with the client, the job developer ascertains whether the client is appropriate or interested.

The disadvantage to this system is the classic tension between sales and production. It can be a dynamic tension pushing the organization toward healthy growth. Or it can provide the basis for internal debates and blaming. Thus, this structure requires careful attention from management.

Sometimes job development can be accomplished by training vendors on performance contracts. For example, the ABC Clerical School executes a performance contract with the Chosen City SDA. Chosen City agrees to pay ABC Clerical School $500 for every participant who completes 10 weeks of training, $300 for every participant who graduates from the 17 week program, plus another $200 for every graduate placed by ABC Clerical School in a full time, permanent clerical job.

Because most SDAs will not be sending all of their participants through vocational training, this type of performance contract placement by vendors must be supplemented by another system. It is possible, however, to contract for generalized job development services on a performance basis.

Such an arrangement would have to have some safeguards built in, but has great potential for use within JTPA. If the SDA is not run by a government with a civil service system, cash performance incentives could be provided in- house.

Marketing

As a supplement to aggressive job development, SDA's may also spend money on marketing, advertising and lead generation, usually under direct supervision of the PIC. Advertising campaigns, personal contact efforts and media coverage help local employers understand what JTPA has to offer them. These functions are frequently performed by public relations or advertising firms as well as by SDA staff.

Special Services

The PIC can also use its funds to arrange special services for employers, individually or collectively, such as assistance with job task analysis, development of affirmative action plans, child care studies, etc. The PIC can also assist economic development agencies by providing funds to enhance local development and by linking economic development services with employment and training services. The two programs can engage in joint marketing and can generate leads for each other. These funds can also pay for industrial surveys or industrial attraction materials.

SECTION VII: OVERSIGHT

JTPA defines oversight simply as "reviewing, monitoring and evaluating." The PIC may design its own oversight process, and the PIC is empowered to hire staff, incorporate, and obtain information independently of local government. While this oversight role need not be set forth in the PIC Agreement, it must be in the plan if funds are to be spent. If, however, the PIC wants the authority to mandate program changes during the program year, this should be spelled out in the PIC Agreement. The PIC's oversight role doe not preclude the local government(s) from also overseeing activities.

Oversight Models

The most straightfoward oversight model is the regular review of standard data relating to enrollments, expenditures, activities and placements. The PIC and staff (wherever they are located) should agree on a standard format for this data that the PIC thoroughly understands and that accurately reflects the activities of the SDA.

The PIC may want to set up a monitoring unit in addition to its statistical oversight, particularly when functions are subcontracted. A monitoring unit can review contracts, projects, activities, policies, etc., to assure compliance with the law, regulations and SDA policies, and provide monthly reports to the PIC. Additionally, if funds are available, a monitoring unit can evaluate the efficacy of program designs and systems. The monitoring unit should work directly for the PIC, or be contracted to a disinterested third party, so it can remain independent of the entities it monitors.

There are other options for oversight, including, but not limited to:

- site visits;
- annual program audits or reviews;
- fiscal audits;
- project reports from contractors;
- staff analyses.

SECTION VIII: LIABILITY

NAB Report

On February 16, 1983, NAB published a technical report in Business Currents Technical Bulletin concerning PIC liability under JTPA. This report is availabe from the NAB Clearinghouse at 1015 15th Street, N.W., Washington, D.C. 20005.

The report, in a question and answer format, focuses on:

- Potential Liability -- this discussion distinguishes the liability of individual PIC members, of PICs as organizations, and of the employers of individual PIC members.
- Historical Context -- this is a review of the types of actions which CETA prime sponsors have been faced with and a brief analysis of audit exceptions and resolutions.
- Factors Affecting Liability -- this is an analysis of the degree of liability which may be incurred by a PIC in the various roles which it might elect under JTPA.
- Audit Procedures -- this is a description of audit requirements, sanctions and waivers of liability which JTPA and the regulations provide.

Legal Actions

Essentially, this paper looked at who might sue the PIC, what might the PIC be sued for, and how might the PIC protect itself from such suits. As under CETA, local service delivery areas can expect actions or challenges to come from two areas:

- Local Action -- those actions originating from employees, clients, subcontractors, and local interest groups. These challenges are usually for some type of equitable treatment or solution such as reinstatement to a position of employment, into a training program, etc. These actions generally concern discrimination, denial of opportunity or arbitrary actions of some nature.
- Higher Government Actions -- an action brought by a federal agency such as the Department of Labor, or, under JTPA, the state, generally for the recovery of grant funds. Such recoveries are usually sought because the uses of grant funds are challenged as a result of an audit.

It is inevitable that these types of challenges will occur, whether in the public or private sectors. The impact of these actions on the organization can be held to a minimum by creating organizational checks and balances designed to prevent arbitrary actions toward staff, clients and contractors and by creating a prudent system of fund accounting and disbursement. Certainly, these systems should be augmented with a formal and fair process for airing and redressing grievances and other questions in an administrative setting.

As noted in NAB's technical report, while the major number of actions which have been brought against CETA agencies have been of the "local actions" type, the actions which constituted much higher financial claims have originated with the Department of Labor, usually as a result of audits.

DOL View

The Department of Labor (DOL) has established the general rule that any disallowed costs must be paid back in cash with non-grant funds, notwithstanding the existence of commonly accepted and prudent systems of accounting and disbursement. DOL's rule interprets the grant recipient as having a strict contractual relationship with and obligations to the Department.

Unlike CETA, however, the JTPA Act allows the Secretary of Labor to waive the imposition of sanctions on grant recipients under certain circumstances for audit exceptions resulting from the actions of the recipient's subgrantees. See Section 164 of the Act for details.

Nonetheless, DOL adamantly interprets its grantees as being contractors in the strictest sense, and further maintains that there is no acceptable rate of error for operating an employment and training program. These are the causes for the continuing pre-occupation with liability in the operation of such programs.

The key to the Department's argument for establishing total liability is that each grant recipient enjoys a contractural relationship with DOL and is, therefore, so bound. The following facts argue strongly against that interpretation:

- A contract is struck between two or more parties after "arm's length" bargaining over all conditions and requirements. The CETA grants have not been characterized by such give-and-take negotiations.

- A gift is something bestowed on someone, unilaterally, which may or may not be subject to certain conditions in order to enjoy. Government grants have traditionally been structured in this manner.

- A gift may be retracted, in part or in whole, at the discretion of the giver, usually with little recourse on the part of the receiver (except where the receiver has relied on the gift to his detriment, in which case the court has been inclined to construct a contract -- to the benefit of the receiver).

- Under CETA, the Department has continuously, and unilaterally, modified the grant amount, rescinded grant funds already allocated, frozen or modified grant activities, and generally restricted the amount and conditions of the grant to its own design.

- The Department often intervenes between the grant recipient, the recipient's clients or the grant recipient's contractors. Generally, in a contract, intervention by either party in another party's process of performance may excuse performance on the contract.

In light of the above observations, there is reason to assume that the Department's interpretation of absolute liability will be subject to considerable, and protracted, dispute. While this is not intended to represent a legal opinion about a PIC member's liability under JTPA, it is intended to present a prudent professional opinion about the immediacy and the certainty of the liability which a PIC member might realistically face.

Administrative Problem

Until basic institutional questions of contract law and grant conditions are fully litigated to the highest level, the threat of liability for inadvertent human error may well remain more of an administrative burden than a financial one. Reasonable management controls, and regular review and monitoring of programs offer the best short-term safeguards against abuse of the program and misapplication of program revenues.

SECTION IX: CONCLUSION

The intention of this handbook has been to assist Private Industry Councils and local governments as they set up organizational structures to implement the Job Training Partnership Act. Several options for such organizations have been presented, and many of the issues that the new PIC will encounter have been discussed.

There is no single prescription for PIC organization since circumstances differ in each area. Each PIC and representatives of local governments will have to sit down and negotiate an organizational structure which will best fit local circumstances. That negotiation process will set the tone for future operations within the SDA.

Some PICs will want to approach this process by scheduling orientation and discussion forums for the PIC members and chief elected officials. Regional offices of the National Alliance of Business (see Appendix B) have resources available to facilitate this process.

Other PICs will appoint a negotiation team to set out basic goals and agreements with local governments, while other PICs will leave this to their staffs.

Whatever the method, it is hoped that these agreements will be flexible and open to amendment as needed. As PIC members gain increased knowledge and understanding of employment and training programs, and as local governments begin to better utilize the resources -- both human and financial -- of the private sector, these groups will be able to plan and operate truly effective programs.

APPENDIX A

SAMPLE PIC FUNDING PRIORITIES FOR TRAINING PROGRAMS

The Private Industry Council of the Chosen City SDA has set forth the following priorities for programs it will fund during the coming year:

1. Direct placement potential must be demonstrated. Priority will be given to vendors who show specific job commitments which can be verified by staff.

2. Programs in support of economic development projects have priority,but these must meet the other standards listed here.

3. Programs which are particularly oriented toward serving "significant segments" of the low income, unemployed population as set forth in the annual plan (handicapped, older workers, ex-offenders, females, ethnic minorities, veterans) have priority.

4. Those proposals based upon a reasonable and verifiable per unit cost have priority.

5. Vendors who have successful experience in the specific training area proposed have priority.

6. Those programs whose cost per participant rationally relates to projected wages over the first year have priority. A higher ratio of cost to annual wages may be considered when firm job commitments are demonstrated.

7. Administrative costs should be minimized; vendors who include all administration costs in a reasonable and verifiable per unit price have priority. While reasonable administrative costs which are clearly related to the training may be included, infrastructures of training vendors cannot be supported.

APPENDIX B THE NATIONAL ALLIANCE OF BUSINESS

The National Alliance of Business (NAB) is an independent, non-profit corporation working in partnership with business, labor, government, education, and community-based groups to help solve the unemployment problems of America's economically disadvantaged youth and adults. NAB's primary mission is to encourage private businesses to provide jobs and job training for the economically disadvantaged. NAB encourages business leaders to support and participate in local private/public partnership efforts, especially through involvement with their local private industry councils.

The Alliance is in a unique position to be of service and support to private industry councils and to be an advocate for PICs at both the national and local levels. Its services reach PICs through its network of ten Regional Service Offices (see following page). In addition to providing a variety of services and technical assistance to PICs, the Regional Service Offices have direct access to a wide range of specialized information provided through NAB's national headquarters in Washington.

Among the areas of NAB's expertise and services upon which a PIC might wish to draw are:

- Program development
- Program information services
- NAB Database, which collects and disperses a wide range of specialized information
- NAB Clearinghouse, which compiles and distributes profiles and case studies of PIC activities and programs
- Training packages and technical assistance
- Marketing materials
- Policy analysis and legislative informational services
- A network of corporate relations liaison contacts reaching to the entire business community
- Technical assistance from Regional Service Offices
- PIC publications
- Showcase -- a monthly newsletter highlighting successful training programs, new developments in employment and training, and transition case studies
- Business Currents in Employment Policy -- a bi-weekly report to PICs and business on job training-related issues

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